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IN THE  
**SUPREME COURT OF THE UNITED STATES**

October Term, 1995

HERBERT MARKMAN AND POSITEK, INC.,  
*Petitioners,*

v.

WESTVIEW INSTRUMENTS, INC. AND  
ALTHON ENTERPRISES, INC.,  
*Respondents.*

On Petition for a Writ of Certiorari  
to the United States Court of Appeals  
for the Federal Circuit

**RESPONDENTS' BRIEF IN OPPOSITION  
TO PETITION FOR WRIT OF CERTIORARI**

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## **QUESTION PRESENTED**

Did the Court of Appeals for the Federal Circuit properly hold that the granting of judgment as a matter of law was correct in a patent infringement case where there was no reasonable dispute about the meaning of claim language and no genuine issue as to any material fact concerning the accused device?

# **LIST OF PARTIES PURSUANT TO RULES 14.1(b) AND 29.1**

The names of all parties in the court whose judgment is sought to be reviewed appear in the caption of this Brief in Opposition to Petition for Writ of Certiorari.

Neither Respondent Westview Instruments, Inc. nor Respondent Althon Enterprises, Inc. has any parent companies or subsidiaries.

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## **RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI**

Respondents Westview Instruments, Inc. and Althon Enterprises, Inc. ("Westview") respectfully submit this brief in opposition to the Petition for a Writ of Certiorari of Herbert Markman and Positek, Inc. ("Markman" or "Petitioners").

### **STATUTES OR OTHER PROVISIONS INVOLVED**

Federal Rule of Civil Procedure 50 provides:

**Rule 50. Judgment as a Matter of Law in Actions Tried by Jury; Alternative Motion for New Trial; Conditional Rulings**

#### **(a) Judgment as a Matter of Law**

(1) If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

(2) **Renewal of Motion for Judgment After Trial; Alternative Motion for New Trial.** Whenever a motion for a judgment as a matter of law made at the close of all the evidence is denied or for any reason is not granted, the court is deemed to have submitted the action to the jury subject to a later determination of the legal questions raised by the motion . . . . If a verdict was returned, the court may, in disposing of the renewed motion, allow the judgment to stand or may reopen the judgment and either order a new trial or direct the entry of judgment as a matter of law.

### **STATEMENT OF THE CASE**

Markman's petition is from a 10 to 1 decision<sup>1</sup> of an in banc panel of the United States Court of Appeals for the Fed-

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1. *Markman v. Westview*, 52 F.3d 967 (Fed Cir. 1995) (Archer, C.J.) (concurrences by Mayer and Radar, JJ.) (dissent by Newman, J.) Originally, this case was heard by the in banc panel in conjunction with another case,

eral Circuit which concluded that the district court was correct to grant judgment as a matter of law (JMOL) to Westview and to hold that Westview did not infringe Markman's dry-cleaning tracking device patent (United States Reissue Patent No. 33,054) (hereinafter, the "054 patent" or the "Markman patent"). The Federal Circuit held that

Correctly reasoning that claim construction is a matter of law for the court, the district court properly rejected the jury's verdict and granted JMOL. Upon our *de novo* review of the court's construction of the claim language, we agree that "inventory" in claim 1 includes within its meaning "articles of clothing." It is undisputed that Westview's device does not and cannot track articles of clothing. *Accordingly, there is no substantial evidence to support the jury's finding of infringement of claims 1 and 10 of United States Reissue Patent No. 33, 054 when those claims are correctly construed.* The district court's grant of judgment of non-infringement as a matter of law is **AFFIRMED**. (Emphasis added.)

App. 56a. Eight judges joined in the majority opinion of the Court. Judge Mayer filed a separate opinion in which he concurred in the judgment but took issue with the majority opinion's statements about the role of juries in infringement cases in which claim construction might require extrinsic evidence. App. 57a-80a. Judge Radar also concurred in the judgment, but filed a separate opinion on the basis that the jury's role was not at issue in this case since there were no real fact disputes. App. 82a-83a. Finally, Judge Newman dissented from the majority, arguing that the case should have been remanded because the trial judge had failed to apply the "substantial evidence" standard to the jury verdict. App. 159a.

The majority opinion of the Federal Circuit accurately sets forth the statement of facts relevant to the case and Westview incorporates that portion of the opinion by reference. App. 4a- 18a, §I-IIA.

#### NOTES (Continued)

*Pall Corp. v. Micron Sys., Inc.*, Appeal Nos. 91-1393, -1394, -1409, which raised similar issues.

There is an additional factor bearing on this case that was not part of the appeal to the Federal Circuit and that is absent from Markman's petition. On July 26, 1994, the Patent Examiner issued an order rejecting all 15 claims of the '054 patent on the basis of prior art. (See 7/26/1994 Patent Examiner Order of Final Rejection, attached hereto as Appendix "A.") An appeal is now pending before the Board of Patent Appeals and Interferences.

#### SUMMARY OF ARGUMENT

In this case the Federal Circuit overwhelmingly agreed, in an in banc determination, that the trial court correctly granted judgment as a matter of law to Westview. The documentary record revealed the one susceptible meaning of the claim, and extrinsic evidence was not a necessary part of proper claim construction. Claim construction in the case clearly was a matter exclusively for the judge and it was his duty to grant JMOL.

The Seventh Amendment arguments made in the petition misunderstand the history upon which they are supposedly based. There are substantial differences between modern patent practice and both 18th Century English patent practice and the original method of patent claiming in this country.

The position of the eight judge majority of the Federal Circuit that claim construction is a question of law for the court even when extrinsic evidence might be necessary to reveal the meaning of the claim is consistent with both English common law and the precedent of this court. There is no conflict with this court's decisions nor is there an important question posed by the petition.

Finally, the final rejection of all claims in the Markman patent and the uncertain future of the patent's validity is an additional factor which makes this case an inappropriate vehicle for the Court to use to consider any of the arguments raised in the petition.



## REASONS FOR DENYING THE WRIT

### I. THE GRANT OF JMOL IN THIS CASE WAS NECESSARY TO ASSURE THE APPLICATION OF THE CORRECT LEGAL STANDARD.

Markman, the petitioner, contends that "[t]his case presents the question whether the Seventh Amendment permits courts, in jury patent infringement actions for damages, to resolve as a matter of law genuinely disputed questions about meanings of patents." Pet. 2. This case, however, does not necessarily present that question. There was no genuine dispute over the meaning of the patent.

The central issue in the case was whether the term "inventory" in the patent should be construed to include only cash or invoice totals, as Markman urged, or should be construed to include "articles of clothing." If it should be construed to include articles of clothing, there would be no infringement, since it was undisputed that the accused system did not track articles of clothing.

The claim language, prosecution history, and specification made it clear that the word "inventory" did include "articles of clothing" and that therefore, there was no infringement. To get around this inescapable conclusion, Markman sought to manufacture a different interpretation of the term by introducing testimony at trial. Markman presented a patent lawyer who testified over defendants' objection about the meaning of the patent claims. This witness had no skill or expertise in the subjects taught in the patent, the application of bar codes to an inventory control system. He was allowed to testify that the meaning of the word "inventory" did not include "articles of clothing."

His testimony did not give rise to a real factual dispute. See *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1579, (Fed. Cir. 1989) ("[A] mere dispute over the meaning of a term does not itself create an issue of fact.") The trial court disregarded it.<sup>2</sup>

2. The action of the trial court in ruling on the legal question was nothing more than the correct application of one prong of the standard established by Rule 50 of the Federal Rules of Civil Procedure: the trial court

App. 173a. As the Federal Circuit put it, "When legal 'experts' offer their conflicting views of how the patent should be construed, or where the expert's view of how the patent should be construed conflicts with the patent document itself, such conflict does not create a question of fact . . . ." App. 42a.<sup>3</sup>

While the Federal Circuit majority addressed the issue raised before the court by Markman, whether the judge acted properly in granting JMOL after the jury had construed the claims, App. 55a, it did so only after noting that the testimony offered by Markman did not create a fact issue, was entitled to no deference and amounted to no more than legal opinion. App. 42a. In reality, there were no facts for the jury to find.<sup>4</sup>

insured that the correct legal standard was applied. In a patent infringement case, a party raising a Rule 50 motion to overturn a jury verdict must establish either that the jury's fact-finding was not supported by substantial evidence or that the legal standards implied by the jury verdict were incorrect as a matter of law. *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 821 (Fed. Cir. 1992).

3. See Judge Mayer's concurrence at App. 63a n.4: ("A fact dispute cannot arise solely from testimony of a patent law expert . . . . It is not evidence and cannot create a genuine fact question for the jury"); Judge Rader's concurrence at App. 81a ("The testimony of Markman's patent law expert is not evidence at all") (both citing *Nutrition 21 v. United States*, 930 F.2d 867, 871 n.2, (Fed. Cir. 1991). See also *Senmed, Inc. v. Richard-Allen Medical Indus.*, 888 F.2d, 815, 818-19, (Fed. Cir. 1989), *reh'g denied*, 1989 U.S. App. Lexis 17023 (Fed. Cir. 1989), *reh'g denied in banc*, 1990 U.S. App. Lexis 107 (Fed. Cir. 1990) (lawyers try to create a 'dispute' about any word, but this cannot alter the undisputed documentary record); *Johnson, supra*, 885 F.2d at 1580.

4. There is no right to have a jury decide an issue of law. *Newell Cos., Inc. v. Kenney Mfg. Co.*, 864 F.2d 757, 763 (Fed. Cir. 1988), *cert. denied*, 493 U.S. 814 (1989) "a party has a right to a jury trial in an action at law, not a right to a jury verdict" (emphasis in original).

Like the patent lawyer's construction, Markman's own subjective construction of the word "inventory" as meaning only "cash invoices" did not create a genuine fact dispute. (See App. 42a-43a, 63a n.3, 81a); *Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384, 1388, (Fed. Cir. 1992) (where a "disputed" term has a clear meaning from the documentary record, testimony of the inventor's intent for a different meaning does not create a genuine dispute of fact.) The substantial evidence standard has no application to an "invented" claim, for "one employs evidence to prove facts, not legal conclusions." *Senmed*, 888 F.2d at 818.



The judgments below have their foundation in the application of the correct legal standard required for any jury's verdict.

**II. THE FEDERAL CIRCUIT'S HOLDING THAT THE TERMS IN MARKMAN'S PATENT SHOULD BE CONSTRUED AS A MATTER OF LAW IS CONSISTENT WITH ENGLISH COMMON LAW AND IS NOT IN CONFLICT WITH THIS COURT'S PRECEDENT.**

Petitioners argue, in effect, that 200 years of American law and several hundred years of English common law are turned upside down by the judgments below.<sup>5</sup> That just is not so. The case law is uniform that there is no issue for a jury to decide where the meaning of a claim is clear from the documentary record and it supports the Federal Circuit's judgment. Beyond that, the Federal Circuit's majority position that claim interpretation is exclusively a matter of law for the court is consistent with and is supported by both English common law and this Court's precedent.

**A. The Petition's Seventh Amendment Arguments Are Historically Flawed.**

It is axiomatic that when one looks to history, one must examine events in context. The petition's Seventh Amendment arguments fail to do that. There are substantial differences between patent practice in 18th Century England and patent practice in the United States today, just as there are substantial difference between original patent practice in this country and patent practice today. For example, at the end of the 18th Century in England, there was uncertainty about how a patent should be drafted and what a specification should contain. There was no patent examination system which considered questions such as novelty or adequacy of a specifica-

<sup>5</sup> The petition makes a series of arguments that the Federal Circuit's holding in this case is in violation of controlling legal precedent and prevents factual questions from reaching the jury in violation of the Seventh Amendment right to a jury trial. The arguments, again, are premised on the supposition that there were real factual disputes about claim language before the jury in the case.

tion. John N. Adams and Gwen Averley, *The Patent Specification The Role of Liardet v. Johnson*, 7 *The Journal of Legal History*, 156, 160-61 (1986). Patent specifications were often very general, vague and even evasive. *Id.* The cases decided at that time should be read against that background.

In this country, the system of patent claiming at the end of the 18th and during the 19th Century was different than it is today. That original system of patent claiming operated on the central claiming theory, in which claims were not required to be rigorously defined and named the broad features of the invention by reference to its specification. *Ex parte Fressola*, 1993 Pat. App. LEXIS 3, \*4; 27 USPQ2d 1608, 1609 (Bd. Pat. App. & Interferences 1993). Under this system "the drawings and descriptions were the main thing, the claims merely an adjunct to." A. Deller, *Patent Claims* Sec. 4 (2d ed. 1971), cited in *Ex parte Fressola*, 1993 Pat. App. LEXIS at \*4, 27 USPQ2d at 1609. In this century the patent process evolved into a peripheral claiming system, strictly defining the invention and therefore setting the boundary of the area marked by the claim. *Id.* Cases involving claim construction under the old central definition system focused on a comparison of what the patent disclosed with the accused device to decide if they were technical equivalents. This, obviously, is not the situation today.

**B. English Common Law Teaches That Claim Construction Is A Matter Of Law For The Court.**

Even under the old English patent system, courts construed patent language as a question of law, even where extrinsic evidence was required to understand the claim. As explained by Thomas Brett in his *Commentaries on the Present Laws of England*, Vol. I, (1890) at 289, "The construction of a specification is the province of the Court, but evidence will be heard in explanation of technical terms used in the arts, or phrases used in particular trades. The rules of construction applicable to specifications are those applied to the interpretation of written instruments." See also *Brooks v. Steele and Currie*, 14 R.P.C. 73 (1896), where the Court said:

The judge may, and indeed generally must, be assisted by expert evidence to explain technical terms, to show the practical working of machinery described or drawn, and to point out what is old and what is new in the specification . . . . But after all, the nature of the invention for which a patent is granted must be ascertained from the specification, and has to be determined by the judge and not by a jury, nor by any expert or other witness. *This is familiar law, although apparently often disregarded when witnesses are being examined.* (Emphasis added.)

*Id.*

The petition's conclusions about English common law cases are misleading. It is not accurate, as Petitioners assert, that the historical record shows that juries, not judges, interpreted patents in England in 1791. A close reading of each of the cases cited by Markman demonstrates that juries, dealing with the issues created by the patent system then in effect, performed factual analyses about whether specifications adequately "taught" a person skilled in the art how to reconstruct the invention, whether the patented inventions at issue could be copied by skilled craftsmen.<sup>6</sup>

In *Liardet v. Johnson*, K.B. (1778), an unreported case which the petition labels a "leading" King's Bench decision, Markman claims that a defendant asserted that a patent was invalid because its specification had not adequately described how to make the invention. App. 13-14. In fact, this was not true; the defendant did not raise a challenge to the sufficiency of the specification, and Lord Mansfield's instruction to the jury on the question of whether the specification adequately instructs others to make the invention is dictum. E. Wyndham Hulme, *On the History of Patent Laws in the Seventeenth and Eighteenth Centuries*, 18 Law Q. Review 280, 285 n.2 (1902). Furthermore, Lord Mansfield's instruction is without a mod-

6. This factual inquiry, which is now performed by the Patent and Trademark Office, bears a similarity to a jury's role today in an infringement trial when it looks at the accused device to see whether it is covered by the claim language as construed by the court.

ern correlate, since an "inadequate teaching" of the invention today in the specification would be foreclosed under 35 U.S.C. §112.<sup>7</sup>

Similarly, *Turner v. Winter*, 1 T.R. 602 (K.B. 1787) involved jury instructions that have no correlation to modern patent practice and law. As with the dictum in *Liardet*, the question at issue in *Turner* was whether the specification was adequate to teach the public how to make the invention. *Id.* at 605. The jury heard testimony from witnesses who literally followed the "recipe" of the instructions in the specification to see whether the substances produced were what was claimed by the patent. *Id.* "Therefore, if the process, as directed by the specification, does not produce that which the patent professes to do, the patent itself is void." *Id.* Again, this has no modern correlate in an infringement trial. The adequacy of the "instructions" in the specification is governed by the application of 35 U.S.C. §112 and by the PTO in the patent process.

Finally, Markman's reliance on *Neilson v. Harford*, Webster Patent Cas. 295 (1841) is curious, since it directly supports the Federal Circuit's opinion. The judge in *Nielson* made it clear that he construed the specification language at trial, since specifications, like all written documents, are to be construed as a matter of law. *Id.* at 370. As in *Liardet* and *Turner*, the jury's role was limited to ascertaining whether the instructions in the specification could produce the claimed invention and arose from a defendant's claim that the patent specification was inadequately ambiguous. The jury's duty at trial was to ascertain whether a competent workman could follow the instructions in the patent — there was necessarily testimony

7. Likewise, Markman's citation to the "influential 1791 authority," Francis Buller, erroneously implies that Buller states that juries must determine the meanings of specifications. Pet. 14. The authority cited, *Trials Nisi Prius*, says nothing about juries. Actually, Buller summarizes the *Liardet* case by stating, "The general questions on patents are, 1st, whether the invention were known and in use before the patent. 2d, whether the specification is sufficient to enable others to make it up. The meaning of the specification is, that others may be taught to do the thing for which the patent is granted . . . ." F. Buller, *An Introduction to the Law Relative to Trials at Nisi Prius* ch. VII (6th ed. 1791).



on the actual process of making the invention in accordance with the "recipe" given in the specification to see whether the specification was proper.<sup>8</sup>

### C. The Majority Opinion Of The Federal Circuit Is Consistent With Supreme Court Precedent.

This Court has held repeatedly that claim construction is a matter of law for the court.<sup>9</sup> In infringement cases, this principle means that the judge defines the patent and the jury decides whether the accused device is covered by the patent claim. In an early decision, *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1854), the Court explained it this way:

On . . . trial for [infringement] two questions arise. The first is, what is the thing patented; the second, has the thing been constructed, used, or sold by the defendants. The first is a question of law, to be determined by the court, construing the letters-patent, and the description of the invention and specification of claim annexed to them. The second is a question of fact, to be submitted to the jury.

8. Markman's summary of *Collins v. Sawrey* 4 Bro. P.C. 692 (H.L. 1772) is similarly misstated. In *Collins* the question was whether the claims at issue sought equitable rights and remedies or legal ones. It was held that the case involved legal issues and so should not be heard by the Court of Exchequer, but rather at law — i.e., "before a single judge, by a jury at an assize . . ." *Id.* at 699. Markman's omission of the phrase "before a single judge" and connection of the phrase "written evidence" to "buy a jury" makes it seem as if the question of whether the jury, as opposed the judge, should construe written evidence. This was not at issue in the case. Likewise, in *Mayor of Kingston Upon Hull v. Horner*, 1 Cowp. 102 (K.B. 1774) the holding was not, as Markman tells it, that the interpretation of a charter is a question of fact for the jury. The holding was that the jury properly determined upon strongest possible evidence that a port was an ancient port because it had been enjoyed for 350 years. The meaning of a term in the charter was not at issue; the length of use of the port was. *Id.* at 108.

9. *Singer Mfg. Co. v. Cramer*, 192 U.S. 265, 275 (1904); *Market St. Cable Ry. Co. v. Rowley*, 155 U.S. 621, 625 (1895); *Coupe v. Royer*, 155 U.S. 565, 579 (1895); *Heald v. Rice*, 104 U.S. 737, 749 (1882); *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. 274, 276 (1877); *Bischoff v. Wethered*, 76 U.S. (9 Wall.) 812, 816 (1870); *Winans v. New York and Erie R.R. Co.*, 62 U.S. (21 How.) 88, 100 (1858); *Winans v. Denmead*, 56 U.S. (15 How.) 330, 339 (1854); *Silsby v. Foote*, 55 U.S. (14 How.) 218, 225-226 (1852); *Hogg v. Emerson*, 47 U.S. (6 How.) 437, 484 (1848).

*Id.* at 338. Likewise, in *Coupe v. Royer*, 155 U.S. 565 (1895), this Court said:

The doctrine of the cases is aptly expressed by Robinson in his work on Patents, vol. 3, page 378, as follows: "Where the defense denies that the invention used by the defendant is identical with that included in the plaintiff's patent, the court defines the patented invention as indicated by the language of the claims; the jury judge whether the invention so defined covers the art or article employed by the defendant."

*Id.* at 579. In practice, the judge construes the words of the patent claim, while the jury makes fact findings about the capabilities of the invented devices. Thus, the *Winans* Court construed the letters patent by determining structure, mode of operation, and the result obtained from a patent. *Winans*, 56 U.S. at 338. In *Silsby v. Foote*, 55 U.S. (14 How.) 218 (1852), construction of the combination patent claim was for the court; it was for the jury to determine as a matter of fact what parts of the machine were necessary to effect a particular result. *Id.* at 225-26. In *Coupe v. Royer*, the court's job was to give proper instructions to the jury on the scope of the patent, and the jury was to decide the question of infringement. *Id.* at 579.

Like the Federal Circuit below, this Court has found repeatedly that where the documentary record is capable of revealing the meaning of the patent, it is exclusively the role of the court to determine that meaning as a matter of law. The Federal Court's decision in this case — that the claim language, specification and prosecution history show clearly that "inventory" includes "articles of clothing" — thus stands squarely in line with Supreme Court precedent.<sup>10</sup>

10. This Court's decisions cited by Markman as contradictory to the Federal Circuit's decision are in reality firmly in support. See *Singer Mfg. Co. v. Cramer*, 192 U.S. 265, 275 (1904) (face of the instruments allows the judge to determine as a matter of law what the inventions described in the patents are by mere comparison); *Market St. Cable Ry. Co. v. Rowley*, 155 U.S. 621, 625 (1895) (in an anticipation case, issue of whether prior patents were for the same invention as the patent at issue was matter of law; court could decide the issue by comparing the patents); *Heald v. Rice*, 104 U.S. 737, 749



Not surprisingly, the petition fails to recognize the consistency of the Federal Circuit's holding with precedent and centers its contention of an alleged conflict with Supreme Court case law on the question of extrinsic evidence. Here again, however, the petition's citation to Supreme Court case law is misleading. Although this Court has never directly considered the question in the Seventh Amendment context, there is support in the precedent that the necessity of extrinsic evidence does not change the character of claim construction as one of a pure legal issue for the judge.

As stated in the influential textbook on patent law, Albert H. Walker, *Textbook of The Patent Law of The United States of America* (3d ed. 1895):

Questions of construction are questions of law for the judge, not questions of fact for the jury. As it cannot be expected, however, that judges will always possess the requisite knowledge of the meaning of the terms of art or science used in letters patent, it often becomes necessary that they should avail themselves of the light furnished by experts relevant to the significance of such words and phrases. The judges are not, however, obliged to blindly follow such testimony. They may disregard it if it appears to them to be unreasonable. While the testimony of experts relevant to the meaning of particular words or phrases in letters patent is to this extent admissible, such testimony is wholly inadmissible relevant to the construction of the letters patent as a whole.

*Id.* at 173-174.<sup>11</sup>

#### NOTES (Continued)

(1882) (Court interpreted the issue of whether a reissue patent was for the same invention as the original patent and found it a matter of law for the court where no extrinsic evidence was necessary); *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. 274, 276 (1877) (Court found that the claim language clearly did not cover the defendant's inventions, so no verdict of infringement).

11. Obviously, this text was written from the perspective of a patent practitioner at the time of the decisions of this Court relied on by Petitioners.

There are cases in which this Court indicates — as the Federal Circuit has instructed — that it is for the Court to consider extrinsic evidence where it is necessary to construe the claims. Rather than supporting a Seventh Amendment right to jury trial when extrinsic evidence is necessary to explain terms of art in a patent, this Court has indicated that it is the role of the court to avail itself of such information on the way to performing its legal duty of construing the claim. In *Looms v. Higgins*, 105 U.S. 580 (1881), the Court availed itself on appeal of the testimony supplied by weaving industry experts in construing the meaning of a looming patent in an infringement case. *Id.* at 586. In *Winans v. Denmead*, 56 U.S. (15 How.) 330 (1854) the court relied on the testimony of experts at trial to understand the mode of operation of the patent in suit. *Id.* at 341. In *Winans v. New York and Erie Railroad Co.*, 62 U.S. (21 How.) 88 (1858) the specification was construed by the Court. It was held that the court was free to accept or reject testimony of experts on information regarding matters the judge did not understand on the way to proving the proper legal construction of the instrument. *Id.* at 100-01. And in *Hogg v. Emerson*, 47 U.S. (6 How.) 437 (1848) the Court found the specification to be clear by its terms while approving of the lower court's reference to models, drawings and testimony in reaching the same conclusion. *Id.* at 484, 485.

The petition's attempt to create a conflict with this Court's precedent on the question of whether claim construction ever requires fact-finding by a jury is flawed on several accounts. The cases cited by the petition refer to the use of extrinsic evidence in dictum only. In every case relied on by Markman, the Court determined the patent meaning on the record before it. See *Singer*, 192 U.S. at 275; *Market St. Cable Ry. Co.*, 155 U.S. at 625; *Heald*, 104 U.S. at 737 (1882). Moreover, the allusion to the use of extrinsic evidence in these cases is not in the same context as claim construction in an infringement action under the current system of claiming. See discussion, *supra*, at IIA. Rather, the consideration of "extrinsic evidence" in those cases involved a determination of what the invention did — much as the jury today in an infringement case determines the capabilities of the accused device. In

*Singer*, for example, the court was making a determination of whether a claim defined solely by its specification was the technical equivalent of the accused device. 192 U.S. at 275. In *Market St. Cable Ry. Co. and Bischoff*, the question was whether the prior patent disclosed the same invention as the current patent. 155 U.S. at 625; 76 U.S. at 816. In *Heald*, the question was whether the reissue patent was for the same invention as the previous patent. 104 U.S. at 737.

Here, as with the petition's discussion of English common law, the suggestion of conflict with this Court's precedent is illusionary. This Court's authority holds that claim construction is a matter of law for the court, regardless of whether extrinsic evidence is necessary to inform the court of the meaning of the claim language. The Federal Circuit's holding does not conflict with precedent nor does it present an important question which should be reversed by this Court.

### III. THE POLICIES UNDERLYING THE FEDERAL CIRCUIT'S DECISION ARE SOUND.

Congress created the Federal Circuit for the express purpose of promoting uniformity, predictability, and fairness in patent law. See H.R. No. 97-312, 97th Cong., 1st Sess. at 9 (1981). The Federal Circuit is thus a court of particular expertise and in that way differs from other federal circuit courts of appeal. The aims are achieved in the policies underlying the Federal Circuit's decision in this case, and that court is the appropriate body to make this decision. The court's analysis reaches a compelling conclusion: patents are fully integrated written instruments that should be interpreted uniformly as a matter of law. Statute requires that a patentee particularly point and distinctly claim the subject matter of his or her invention. 35 U.S.C. §112 para. 1. Because of the exclusive grant of right to the patentee, it is only fair that competitors "be able to ascertain to a reasonable degree the scope of the patentee's right to exclude." App. 28a. The only way a patent claim can receive universal treatment is for it to be construed as a matter of law by a judge. If not, the same patent language could be subject to different interpretations by different juries in different infringement actions. There would be no unifor-

mity, and definitely no certainty. This analysis is further compelled by the most relevant and useful analogy of a patent to a statute or government grant. App. 45a-52a.

The fact that, as Markman points out, the Federal Circuit by this decision chose to clarify inconsistencies in its case law is not, in and of itself, reason for the grant of certiorari. Clarification of conflicting precedent is precisely the reason for *en banc* panels, the device used in this case. It is the role of the circuit court, and not this Court, to dispose of intra-circuit conflict. The presence of intra-circuit conflict does not present an important or compelling reason for Supreme Court review.<sup>12</sup> Certainly, a reviewable question cannot be posed when the Circuit Court has done its own job in resolving a real or apparent intra-circuit conflict, by an 8-3 (and 10-1) margin.<sup>13</sup>

### IV. THIS CASE IS INAPPROPRIATE FOR THE COURT TO REVIEW BECAUSE ALL CLAIMS OF THE PATENT HAVE BEEN REJECTED BY THE PATENT EXAMINER.

Markman's petition notably omits an essential fact in the procedural history of this case on appeal. On July 26, 1994, two and a half months after oral argument before the Federal Court in banc, the Patent and Trademark Office issued a final rejection of all claims in the Markman patent.<sup>14</sup> The rejection was based on claims of prior art in a challenge raised after the

12. See *Taylor v. United States*, 493 U.S. 906 (1989) (petition for certiorari denied despite intra-circuit conflict); *Ratchford v. Gay Lib*, 434 U.S. 1080, 1081 (1978) (same); *Davis v. United States*, 417 U.S. 333, 340 (1974) (same). See also Mr. Justice Harlan, "Manning the Dikes," 13 *Record of N.Y.C. Bar Ass'n* 541, 552 (1958): "Contrary decisions between different panels of the same Court of Appeals will not be considered to present a reviewable conflict, since such differences of view are deemed an intramural matter to be resolved by the Court of Appeals itself."

13. See *Kimbel v. D.J. McDuffy, Inc.*, 454 U.S. 1110, 1111 (1981) (certiorari petition denied even though a "severely divided" 11-10 *en banc* panel voted to reverse a previous holding that was itself issued by a divided panel).

14. Markman did not disclose the status of the patent to the Federal Circuit even though the challenge was filed nearly ten months before the Court's in banc opinion was issued.



trial of this case.<sup>15</sup> (See Appendix A.) This fact was learned only recently by counsel for respondent.

At the very least, it can be said that the Markman patent has a uncertain future.<sup>16</sup> It is respectfully submitted that even if this Court viewed the issues addressed by the Federal Circuit to be significant, this case is not the appropriate one for this Court to accept for the purpose of addressing these issues.

### CONCLUSION

For all of the reasons given, Markman's petition should be denied.

Respectfully submitted,

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Date:

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15. Although the invalidity of the patent on the basis of prior art was raised by Westview at trial, that issue was not reached after the judge ruled as a matter of law that there was no infringement. The trial predated this Court's decision in *Cardinal Chemical Co. v. Morton Int'l, Inc.*, 113 S.Ct. 1967 (1993).

16. The case is currently pending appeal before the Board of Patent Appeals and Interferences, but to respondent counsel's knowledge, the hearing date has not been set.

## Appendix



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**REEXAMINATION COMMUNICATION  
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REEXAMINATION CONTROL NO. 90/003175

PATENT NO. 33054

ART UNIT 2505

Enclosed is a copy of the latest communication from the Patent and Trademark Office in the above identified reexamination proceeding. 37 C.F.R. 1.550(e).

Where this copy is supplied after the reply by requester, 37 C.F.R. 1.535, or the time for filing a reply has passed, no submissions on behalf of the reexamination requester will be acknowledged or considered. 37 C.F.R. 1.550(e).

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CONTROL NUMBER	FILING DATE	PATENT UNDER REEXAMINATION	ATTORNEY DOCKET NO.
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EXAMINER
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ART UNIT	PAPER NUMBER
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DATE MAILED

**OFFICE ACTION IN REEXAMINATION**

☒ Responsive to the communication(s) filed on 6/17/94. ☒ This action is made FINAL.

A shortened statutory period for response to this action is set to expire one month from the date of this letter. Failure to respond within the period for response will cause termination of the proceeding and issuance of a reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

**PART I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:**

1. ☐ Notice of References Cited by Examiner, PTO-892. 3. ☐ Notice of Informal Patent Drawing, PTO-948.  
2. ☐ Information Disclosure Citation, PTO-1449. 4. ☐ \_\_\_\_\_

**PART II SUMMARY OF ACTION:**

- 1a. ☒ Claims 1-15 are subject to reexamination.  
1b. ☐ Claims \_\_\_\_\_ are not subject to reexamination.  
2. ☐ Claims \_\_\_\_\_ have been cancelled.  
3. ☐ Claims \_\_\_\_\_ are confirmed.  
4. ☐ Claims \_\_\_\_\_ are patentable.  
5. ☒ Claims 1-15 are rejected.  
6. ☐ Claims \_\_\_\_\_ are objected to.  
7. ☐ The formal drawings filed on \_\_\_\_\_ are acceptable.  
8. ☐ The drawing correction request filed on \_\_\_\_\_ is ☐ approved, ☐ disapproved.  
9. ☐ Acknowledgment is made of the claim for priority under 35 U.S.C. 119. The certified copy has ☐ been received, ☐ not been received, ☐ been filed in Serial No. \_\_\_\_\_ filed on \_\_\_\_\_.  
10. ☐ Since the proceeding appears to be in condition for issuance of a reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under Ex parte Quayle, 1959 C.D. 11, 435 O.G. 213.  
11. ☐ Other

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ReExam 003,175

Art Unit 2505

The invention is best understood by considering the patent owner's statement, page 2, last paragraph:

"As of April 13, 1984, the filing date of the original patent application, the art of inventory control and reporting for dry-cleaning stores and the like was well developed. The Liberty Lister system shown in Requester's Exhibits 10 and 11, described in the Specification at column 2, line 62 through column 3, line 19, and which was of record in the reissue application, discloses an inventory control and reporting system for drycleaners that uses bar coded written records bearing product descriptions."

The novelty resides in the generation and printing of the bar codes at the time of the customer submitting items into the controlled inventory of the vendor, as a part of the transaction involving the purchase of vendor service by the customer, as opposed to the use of preprinted forms by Lister.

The issue appears to have arisen due to an extrapolation by both parties of the claim language "transaction" from a customer/vendor interaction involving submission of items by the customer into the controlled inventory of the vendor, which is the disclosed invention, to other areas such as manufacturing in-house inventory systems, as has been cited in re-examination.

The presentation by both parties has been stand or fall with regard to claims 1 and 14.

Claims 1-15 were rejected under 35 USC 103 over Noel (Exh. 13 or Krause (Exh. 30) in view of Lister (exh. 11) Countmaster (Exh. 6 and 7) and Thermopatch (Exh. 9) considered in combination.

The essential language of independent claims 1 and 14 compare with Noel as set forth below.

**Claim Element**

a data input device for manual operation by an attendant the input means having switch means operable to encode information relating to sequential transactions

**Noel et al.**

Model 3002 terminal with keyboard (Exh. 13 at 1, col. 1 and Photo 1). keyboard (see Photo 1) "Inspectors using special machines create a mapping sheet and history of each roll of denim, which also records defects and their location if any occur. Each

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acceptable roll goes to the weight station . . . [t]here an operator access style number and description information from disk. Certain entries are made automatically, *others are entered by the operator.*" Exh. 13 at col. 2 1.

each of the transactions having articles associated therewith

The transaction is creation of a roll of denim and entry of the roll into inventory stock. Articles associated with the transaction are rolls of denim. Exh. 13 at col. 1 4 to 2 3.

said information including transaction identity and descriptions of each article

"The result of information entries is a seven-segment pressure-sensitive label that includes the bar code equivalent of the package's identification number ['transaction identity']." Exh. 13 at col. 1 photo 2. Operators enter description information or retrieve it from disk and associate it with the article. See Exh. 13 at col. 2 1.

a data processing including memory operable to record said information

Standard Register Model 3002 intelligent terminal with dual disk drive (Exh. 13 at 1 col. 1). "Shading data is numerically classified and stored on disk in the Shade Room." Exh. 13 at 1 col. 1 5. Description information is stored on disk. Exh. 13 at 1 col. 2.

and means to maintain an inventory total

"Rolls are selected for shipment by the Sales department based on customer requirements and

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*available inventory.*" Exh. 13 at 2. Compilation of inventory totals is described at 3. Thus, an inventory total is inherently maintained.

said data processor having means to associates sequential transactions with uniuqesequential indicia

The Swift system bar code labels include a roll identification number associated with each roll produced sequentially. Exh. 13 at 1 col. 1, 1 and photo 2 caption.

and to generate at least one report of said total and said transactions

"At the end of the day, the Shade Room terminal prints a production report by roll of denim number, including all information recorded on the labels." Exh. 13 at 3 3.

the unique sequential indicia and the sequential transactions being reconcilable with one another

*Id.* Printing "by roll of denim number" inherently involves reconciliation. So does the roll selection process described at 2.

a dot matrix printer

Standard Register Series 150 printer. Dot matrix formation of label characters is apparent in photo 2, which shows variable height characters which cannot be printed on an impact printer. Exh. 13 at 2 photo 2.

operable under control of the data processor to generate a written record of the indicia associated with sequential transactions

The printer printed bar code labels containing the unique roll number. Exh. 13 at 1 (photo 2 caption) and 2 (photo 2).



the written record including optically-detectable bar codes having a series of contrasting spaced bands

the bar codes being printed only in coincidence with each said transaction

and at least part of the written record bearing portion to be attached to said articles

at least one optical scanner connected to the data processor and operable to detect said bar codes on all articles passing a predetermined station

whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefrom.

Bar code labels are shown in photo 2. *Id.*

Bar code labels are printed on demand as transactions occur. "If all is correct, a seven-digit [sic—segment] pressure sensitive label is generated. The label uses bar code . . ." Exh. 13 at 1 col. 2.

"The final three segments [of the bar code label] are placed on the fabric itself and at either end of its poly-wrapped package." Exh. 13 at col. 2 2 and at 2 photo 3.

"A computerized conveyor system moves the roll to numbered bin locations. Warehousemen use Norand portable scanning equipment to record package number and storage location for each roll." Exh. 13 at col. 2 to p. 2

"Inventory-taking is faster, easier, and more accurate . . . . Accuracy is a tremendous advantage — built-in double checking systems ensure that customers get the material they ordered . . . . the system will pay for itself rapidly by . . . eliminating errors . . . and improve inventory control." Exh. 13 at 4.

The essential language of claims 1 and 14 compare with Krause as set forth below.

**Claim Element**

**Krause et al.**

a data input device for manual operation by an attendant

"Printed circuit boards received from the customer engineer are first logged into the system *using a manually operated terminal.*" Exh. 30 at p. 144 co. 1 1.

the input means having switch means

"The solution is a *keyboard terminal* incorporating a bar code data system." *Id.*

operable to encode information relating to sequential transactions

"Unique information about the board, such as part number, data code, etc. is entered." *Id.*

each of the transactions having articles associated therewith

Each transaction has a circuit board associated with it. *Id.*

said information including transaction identity and descriptions of each article

"Each transaction is identified by a unique number selected from a work-order form." Also, "part number, date code, etc." is entered to describe the board. *Id.* at 1-2.

a data processor including memory operable to record said information

"The computer updates its data base to reflect the PC board's movements . . ." *Id.* p. 144 col. 2

and means to maintain an inventory total

*Id.* An updated data base would contain a total of all PC boards.

said data processor having means to associate sequential transactions with unique sequential indicia

"And a bar symbol encoding a control number is stamped on a tag which accompanies the PC board through the repair cycle (Fig. 3) . . . The operator scans

the PC board's bar code tag and the computer checks that the control number has actually been issued to the factory floor." *Id.* p. 144 col. 1 1, 3.

and to generate at last one report of said total and said transactions

"Managers can locate any board and its work-in-process by pressing a key on their terminal designated: SHOWIT. This signals the computer to list all boards and their control numbers." *Id.* p. 144 col. 2. This listing is a report.

the unique sequential indicia and the sequential transactions being reconcilable with one another

"When a specific control number is selected, the computer displays the current status of that PC board in the repair cycle." *Id.* Thus, the control number is reconcilable against the PC board and information relating to the board.

a dot matrix printer

For printing, "... low-cost dot-matrix printers might be selected depending on user requirements." *Id.* p. 140 col. 2 5.

operable under control of the data processor to generate a written record of the indicia associated with sequential transactions

A printer connected to a data processor which controls the printer is described. *Id.* p. 140 (Photo 1 and caption). On demand printing is discussed *Id.* col. 2

the written record including optically-detectable bar codes having a series of contrasting spaced bands

The tag has a bar code symbol. *Id.* The Patent Owner contends that a single symbol is enough. See *Infra* § III.C.2.

the bar codes being printed only in coincidence with each said transaction

"In other cases, a specific bar-code may be required to be available on demand at the user's facility ('demand printing'). *Id.* As the board enters the controlled inventory, "a bar symbol encoding a control number is stamped on a tag which accompanies the PC board through the repair cycle." *Id.* p. 144 col. 1 1.

and at least part of the written record bearing a portion to be attached to said articles

The tag with a bar code "accompanies the PC board through the repair cycle. (Fig. 3)." *Id.* p. 144 col. 1 1.

at least one optical scanner connected to the data processor and operable detect said bar codes on all articles passing a predetermined station

"When the operator selects a transaction, . . . [t]he operator scans the PC to board's bar code tag . . ." *Id.* 3.

whereby said system can detect and localize spurious additions to inventory as well as spurious deletions therefrom.

"... the computer checks that the control number has actually been issued to the factory floor." *Id.* "Being always able to identify [the location of] an individual PC board speeds the processing of hardware needed for customer-crisis situations."

Again, as regards the combination of references cited and discussed in the previous office action as to purpose and rationale, the only significant limitations left untreated by the above arguments would appear to be the detachable tags which are shown by Countmaster (Exh. 6) or Thermopatch (Exh. 9), attribute keys taught by Lister (Exh. 11) and addi-



tional optical scanners shown by Lister. The above limitations are directed to implementation in the dry cleaning environment.

Palmer, cited by patentee, discloses optical scanner subject matter cumulative to Lister.

Patentee's traverse is not considered persuasive since the specific claim language is not argued vis-a-vis the prior art and the patentee tends to re-interpret the claim language to a more narrow construction and argue this construction.

In addition, under the guise of considering the claims "consistent with the specification", the patentee reads the specification into the claims as a basis for argument.

In responding to Noel on page 13 of the "Statement of the Patent Owner" patentee states:

"A transaction in accordance with the patent Specification involves the receipt of one or more diverse articles into a controlled inventory, these transactions proceeding after customers (or providers) present their particular articles and later get them back."

These limitations on the term "transaction" are not in claims 1 and 14. On page 14 patentee states:

"The invention relates to the protection of transactions in a controlled inventory, each transaction having one or several diverse articles, and more particularly to assist in the detection of articles or transactions slipping laterally into or out of a stream of articles and transactions. Noel teaches none of this."

Claims 1 and 14 recite nothing about "diverse articles" which are "slipping laterally in or out". etc.

In responding to the examiners rejection of the dependent claims patentee states:

"The examiner states in the official action that *"Both parties essentially address the issue as 'stand or fall' with regard to claim 1 and 14."* This accurately characterizes the Request, the Patent Owner's Statement responsive thereto and the Reply of the Requester."

Patentee then argues the dependent claims as follows:

"Claims 2-4 are directed to solving the problem that as successive transactions are presented by customers, to much time may be required to print a bar code with sufficient reso-

lution. According to claim 2, the printing commences immediately, i.e., as data is being entered, which places the print delay where it is not noticed." —

However, on-line printing is as old as ticker tape.

With regard to claims 5-7 and 15, patentee argues Krause:

"Claims 5-7 very clearly concern transactions having articles, in the sense of the dictionary definition of the term "transaction", consistently with the specification and unlike anything remotely suggested by Krause."

The argument is conclusionary and relies on the specification being read into the claim language. No specific claimed structure is clearly argued.

Claims 8 and 9 are argued as follows:

"According to claims 8 and 9, there is a preferred or secure input device that has more capability than the other input devices so that reports are restricted and inventory records cannot be unaccountably voided after a ticket is printed."

However, a manager's key or card for voiding mistakes entered into point-of-sale terminals is notoriously old as applicant appears to be arguing. If this is data security, such techniques are also notoriously old, i.e. hierarchial access codes, etc.

With regard to claims 10-13 patentee argues:

"Claims 10-13 recite keyboard attributes that are useful with the system defined in independent claim 1. Although Lister discloses certain of these attributes, it is only in conjunction with a pre-printed bar code system."

The above statement appears to clearly indicate patentee employed Lister's keyboard solution in the recited system.

With regard to Countmaster, Thermopatch and Lister being "lined out" on the PTO 1449, the patentee should have received an updated PTO 1449 listing Thermopatch and Lister. Countmaster is considered to be prior art. These type of tags were discussed in lines 64, col. 1 of the Markman patent through col. 2 line 14. In view of this, a declaration must be filed by patentee to dismiss Countmaster as a reference based on priority date.



The declarations filed under 37 CFR § 1.132 are not persuasive since they are not commensurate with the scope of the claims. The declarations are directed to the sale and development of a system which is an improvement over the Lister retail dry cleaner customer/vendor transaction and inventory control.

The claims of the issue, as the record shows that the issue has been drawn, have had their scope extrapolated by both parties to inventory control which is much broader in scope.

In addition, the declarations tend to be subjective, since they have been made by the patentee and his agent.

In the interest of simplifying the issue, the examiner will not incorporate the Requester's rejections in this action.

It should be noted, however, that an appellate forum might decide to review and perhaps include any of these rejections on the prior art thereof.

This action is made FINAL.

Any inquiry concerning this communication should be directed to Harold Pitts at telephone number (703) 308-0717.

Pitts/tj  
July 26, 1994

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